Mission Gap:

The Missing Driver for Nonprofit Strategy

by

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ABSTRACT

The question of how to appropriately and effectively apply traditional for profit concepts of strategy to nonprofit organizations continues to be addressed by researchers and theoreticians. This paper looks at the differing purposes of for profits and nonprofits, and the implications of those differences for strategy development. The concept of "mission gap" is offered as a tool for translating notions of competitive strategy into the nonprofit environment. A "mission gap" is a nonprofit's statement of the unmet needs of its target audience. Once an organization has identified its "mission gap" it can design a vision of what the organization would ideally look like in order to close the "mission gap" most effectively. Strategic stretch goals can then be set to move the organization toward the vision. Strategy is then created to guide the organization toward the vision and the strategic stretch goals, which would result in narrowing the "mission gap."

U.S. nonprofit organizations are facing unprecedented pressures. The yearly job loss for 2008 is the worst it has been since 1945 (The Wall Street Journal, January 10, 2009), which is creating demand for more services. At the same time, the global economic downturn has both reduced charitable donations and drained the value from existing endowments. Perhaps more than ever before, nonprofits are being called upon to do far more with much less. To respond effectively, nonprofit leaders need innovative strategies and in particular, they need new, practical approaches to develop those strategies.

Researchers, practitioners, and consultants have struggled for years to determine the most appropriate ways in which to apply notions of strategy from the for profit sector into the nonprofit sector. The purpose of this paper is to propose a solution to this problem by examining the role of strategy for nonprofits and the unique ways in which nonprofits judge their performance. By applying the mission accomplishment as effectiveness approach to the strategy development process, this paper demonstrates that the concept of "mission gap" can be inserted as the driver of nonprofit strategy and as a replacement for the for profit world's "beating the competition" driver. The result is a strategy development process for nonprofit organizations which is consistent with their core purpose – the betterment of society.

During the past thirty years, much effort has been given to fill a void in the literature on nonprofit strategy. Extensive reviews completed by Stone & Crittenden (1993), Kearns & Scarpino (1996), and Stone, Crittenden, & Bigelow (1999) have all demonstrated that much progress has been made in this field – yet much remains to be done.

One of the significant gaps remaining deals with the appropriate application of for profit concepts of strategy to the nonprofit world. In fact, Backman, Grossman, & Rangan (2000) identify this issue as one of the motivating forces for sponsoring a research forum on nonprofit strategy at Harvard in 1998. Based on their work with nonprofit executives they found "The feedback from these practitioners was that strategy models developed for for-profit organizations were relevant for their purposes, but these models required significant modification or adjustment to work in nonprofit settings." (2000: 2)

Others have stressed the importance of modifying for profit strategy approaches for nonprofits. Nutt & Backoff point out "There has been a long tradition of adapting management practices and ideas from the private sector to the public sector. Many if not all of the procedures for strategic management currently in use were developed in and for the private sector firms. . . . Success in the private sector does not guarantee success in organizations with significant degrees of publicness." (1992: 23) Some of the differences they point out between the two sectors include: environmental factors, such as influence by market and political forces; transactional factors, such as differing levels of public scrutiny and different scopes of ownership; and organizational process factors, such as goal clarity and incentives.

Phills suggests that "because of real differences between nonprofits and for-profits, there has been a very legitimate concern that tools and frameworks developed from the study of businesses cannot simply be transplanted to nonprofits." (2005: viii) Differences he identifies include the "distribution constraint" – the legal requirement that precludes distributions of surpluses to investors.

Kearns points out that "government and nonprofit organizations are not businesses and cannot be managed as such. . . . . The competitive paradigm that is one of the drivers of the business world is not totally applicable in the public sector. . . . What the public sector needs therefore is an approach to strategic management that borrows concepts from the business sector that are relevant and helpful but that is tempered by an understanding of the distinctive missions, contexts, and constituencies of public and nonprofit organizations." (2000: xiv - xv)

The contextual difference of most importance between for profit and nonprofit organizations is their purpose and, therefore, the ways in which they judge performance. For profit organizations typically judge their performance by various perspectives on how much profit they make. They have investors who expect a return on that investment. Many companies will also monitor metrics such as customer and/or employee satisfaction, but most do this as a means to the important end of making profit. Some companies may take a shorter term view of profits (e.g., most companies listed on the New York Stock Exchange) while some may focus on the longer term (e.g., Berkshire Hathaway). Some may look at different permutations of profit, such as price of traded shares or return on invested capital. But, essentially, the idea is to make a profit.

Certainly, many for profit entities are also concerned about the "social value" they produce for society and they are increasingly concerned about their impact on other various stakeholders. However -- for most -- these are secondary to their interest in making a profit and returning value to shareholders. A statement from the Business Roundtable, an association of CEOs of leading U.S. companies, reinforces this in its 2005 version of its Principles of Corporate Governance:

"Corporations are often said to have obligations to shareholders and other constituencies, including employees, the communities in which they do business and government, but these obligations are best viewed as part of the paramount duty to optimize long-term shareholder value." (2005, p. 31)

This statement is not as blunt as renowned economist Milton Friedman's famous article "The Social Responsibility of the Corporation is to Increase its Profits," (1970) but it makes the same point.

A key challenge that for profit organizations face is that they exist within a highly competitive environment where other organizations also exist to make a profit. Once they start making a good profit on a particular product or service, then other organizations will enter their market to make a profit by selling a similar service or product to the same types of customers. Therefore, the for profit world is understandably pre-occupied with the problems of competition. A leading expert on corporate strategy is Michael Porter, whose Competitive Strategy (1980) is perhaps the most widely read book on the subject. In Porter's view, "Strategy is making trade-offs in competing." (1996, p. 70) This is why the military roots of strategy apply so nicely to the for profit world. A military general may want to take territory while a business general may want to take market share. They are both very much concerned with the others in their competitive space and take their actions accordingly.

It is understandable, then, that Kearns refers to the "competitive paradigm that is one of the drivers of the business world" (2000, pp. xiv - xv). Since making profit is its purpose and competition is an important aspect of the environment in which it operates, a for profit organization needs a competitive strategy.

NONPROFIT ORGANIZATION EFFECTIVENESS

Significant discussion, but no agreement, on the most appropriate way in which to judge nonprofit performance has taken place in the nonprofit literature during the past thirty or more years (Forbes, 1998). Herman & Renz (1997, 1998, 1999, 2004, 2008) have been considerable contributors to this discussion and yet they recently conclude that "Nonprofit organization effectiveness remains a complicated and challenging construct for researchers and practitioners alike." (2008: 412). In their discussion of the importance of defining organizational performance, Kearns & Scarpino discuss the controversy involved with this topic in the for profit sector and suggest "We can expect the controversy to be even more intense in the nonprofit sector, where there is substantial ambiguity regarding the bottom line of organizational performance." (1996: 435-6). Their expectations have certainly been met.

The challenge of the question of nonprofit organization effectiveness begins with the challenges within the general organization effectiveness literature. Early models of effectiveness were focused on the "goals" of the organization (e.g., Price, 1968) and considered an organization effective to the extent it met its goals. Dissatisfaction with this approach led Etzioni (1964) to suggest a "system" model in which the processes within the organization were examined. Some researchers emphasized "system-resources" (e.g., Seashore & Yuchtman, 1968) while others looked at systematic decision making (e.g., March & Simon, 1958), and yet others looked at human resources processes (e.g., Argyris, 1964). In an attempt to integrate these various models, Quinn & Rohrbaugh (1983) proposed a "competing values" approach which valued all of the

preceding approaches and suggested they need to be balanced in order for an organization to be effective.

The variety of perspectives that individuals have on the effectiveness of organizations, as suggested above, have led Herman & Renz to conclude that "Nonprofit leaders need to recognize that NPO effectiveness is socially constructed, that it is not a stable construct, and that different stakeholders will judge it differently." (2008: 410). While this is indeed useful to remember, the question remains of which perspective on organization effectiveness nonprofit leaders should use as they begin to craft strategy. Since strategy guides performance, organization leaders need to choose their most important performance criteria. They cannot very well create a different organizational strategy for each stakeholder group's performance criteria. It is often suggested that nonprofit organization effectiveness is "multi-dimensional" (Herman & Renz, 2008; Sowa, Selden, & Sandfort, 2004). With this in mind, nonprofit leaders need to choose the dimension of effectiveness that makes most sense for strategy development.

In their review of articles on nonprofit strategy, Backman et al conclude that "The most important and perhaps most obvious theme that emerges from these articles is that mission and values, rather than industry structure or internal capacities, are the starting points for strategy development in the nonprofit sector." (2000: 6). Similarly, Phills suggests "For a for-profit organization, performance is typically defined in terms of profitability or economic returns to its owners. For the nonprofit (as well as for some for-profits), performance is defined more broadly, typically in terms of achieving the mission." (2005: 17) Moore agrees "Just as financial performance becomes the touchstone for gauging past and planning future performance in the for-profit sector, so

mission performance becomes the touchstone for gauging past and planning future performance in the nonprofit sector." (2000: 194). He suggests that the key calculation for public sector strategy should be to "find better ways to achieve mission." (2000: 189).

These perspectives are consistent with the "mission accomplishment as effectiveness" approach (Ford & Ford, 1990; Ford, Sheehan, & Ford, 1994; Sheehan, 1996) which suggests that the mission of a nonprofit organization should contain a statement of its commitment to make a difference in the world and that the way to assess effectiveness would be to examine the outcome results it produces that correspond to that mission commitment. Results that can be reliably examined and which represent an impact, corresponding to the mission, that the organization has made would provide the basis for a judgment of effectiveness. These results may be referred to as "mission accomplishment measures." This approach is consistent with perspectives suggested by: *Frumkin & Andre-Clark: "At the same time, nonprofit organizations must become more sophisticated in tracking performance. This means that they must get better at defining, producing, and documenting the unique and value-oriented outcomes that only mission-driven work can deliver . . . " (2000: 158).

*Light, who in his survey of 250 Executive Directors of nonprofits identified as "high performing," found that "three in five equated effectiveness with being focused on or accomplishing a mission or goals" (2002: 39) and that "two-thirds equated effectiveness with being focused on achieving measurable results" (2002: 73).

* Poister, in his discussion of measuring performance for public and nonprofit organizations states: "Because strategic planning is concerned ultimately with maintaining and improving organizational effectiveness, it is not surprising that often the

most important performance measures used in the strategic management process are outcome indicators." (2003: 167).

Numerous other researchers have suggested effectiveness approaches consistent with the mission accomplishment approach (e.g., Stauber, 2001; Sawhill & Williamson, 2001a, 2001b; Singh, 2005). Further, Bradach, Tierney, & Stone (2008) have recently concluded that more nonprofits are moving to a mission impact approach. They have found that a key question these organizations are asking themselves is "Which results will we hold ourselves accountable for?" (2008: 90) The organizations then create a "strong intended-impact statement" which "identifies both the beneficiaries of a nonprofit's activities and the benefits the organization will provide-that is, the change in behavior, knowledge, or status quo its programs are designed to effect." (2008: 91)

When outside evaluators and researchers are called on to judge the effectiveness of a nonprofit organization, it is reasonable to assess performance in multiple dimensions and from a wide variety of stakeholder perspectives – whose views will certainly be socially constructed. But when a management team sets out to craft strategy, it must first determine the performance criteria which it seeks to accomplish. Given the core role of mission as a nonprofit's reason for being, using the mission accomplishment approach as the starting point for strategy is most appropriate. This does not mean, of course, that stakeholder views are dismissed. In fact, they must be seriously considered as the management team establishes performance criteria and crafts strategy.

Depending on the nonprofit, issues of competition may or may not be important to consider. For example, nonprofits which rely heavily on fees for service in environments where other service providers are active, will certainly need to consider competition

when crafting strategy. Importantly, though, they will consider the competition within their broader commitment to accomplish their mission -- not to make a profit. With this in mind, we can imagine the strategic move of two nonprofit competitors to collaborate in order to maximize mission accomplishment for the good of a community. This type of cooperation would be less likely in the for profit world and may even be deemed as collusion -- subject to the violation of law. Therefore, while competition may be something for a nonprofit to consider in its environment, beating its competition is not its over-riding concern. It is concerned with accomplishing its mission of making a difference for society. The next section discusses the implications for strategy formulation when mission accomplishment is the framework an organization uses to judge effectiveness.

MISSION ACCOMPLISHMENT & NONPROFIT STRATEGY

The mission accomplishment approach provides the alternative to the "competitive paradigm that is one of the drivers of the business world" (Kearns, 2000: xiv - xv). A nonprofit seeking to formulate a new strategy would begin by establishing its mission accomplishment measures, which are the indicators of effectiveness. It is helpful if the mission statement contains impact language. That is, the mission statement should specify the aim (exactly what "persons, places, or things" the organization aims to impact) and impact (the difference the organization intends to make in the condition of those the organization is aiming for).

Consider this somewhat fictitious example: *"The mission of Stevens County Literacy Council is to assure that all adults age 16 or older in Stevens County are*

literate." The organization would next select its mission accomplishment measure(s),

such as: *"The percentage of adults in Stevens County, age 16 and older, who are literate*

as measured by annual county surveys."

The organization is now positioned to operationalize the mission accomplishment

approach as a driver for strategy formulation by identifying its "mission gap" (Sheehan,

2005). The mission gap uses the mission accomplishment measure(s) to first articulate

the current state of condition of the "persons, places, and/or things" for whom/which the

organization wants to make a difference. Then, it describes their/its condition in an ideal

world. The difference between the current reality and the ideal is the organization's

"mission gap" – the gap the organization is committed to closing. The driver of strategy

becomes the commitment to closing the mission gap as effectively as possible.

In the fictitious example above, for example, this could mean:

*Current Condition: In Stevens County, 80% of all adults, age 16 and older, are literate.

*Ideal Condition: In an ideal world, 100% of all adults in Stevens County, age 16 and

older, would be literate.

*Mission Gap: With 100,000 adults, age 16 and older, living in Stevens County, the

Mission Gap is 20,000 adults.

Creating a "mission gap" is similar, but more specific, to what Allison & Kaye

call an "external vision" for an organization: "how the world will be improved if the

organization achieves its purpose." (2005: 101).

A real world example of a nonprofit organization using and applying a "mission

gap" is the North Texas Food Bank, with its main offices in Dallas, TX. In 2008, leaders

from the North Texas Food Bank decided that they needed a metric that would tell them

how well they were accomplishing their mission and allow them to organize around making more rapid progress. Following significant research, they used a variety of statistics to determine the "meal gap" for the men, women, and children living in their service area who are under the poverty line. They identified all of the potential sources of food available to this target audience -- including SNAP (formerly food stamps), school lunches, WIC, and meals provided through food pantries, soup kitchens, homeless shelters, etc. They also included in their calculations that people would use some of their own resources to provide for their meals. They then calculated the meals available for this group of people and compared it to the number of meals needed by them in order to have three healthy meals per day. The difference between the two was identified as their region's "meal gap" of 29 million meals per year.

North Texas Food Bank is now working toward the goal to close that gap by 2011. Establishing this "meal gap," in the words of the organization's President & CEO, Jan Pruitt, has "transformed" the organization. They have used the "meal gap" (also referred to as a "hunger gap") to promote volunteerism, food donations, financial donations, and to raise public awareness about the problem of hunger in America -- and are making significant progress toward their goal.

Inserting the mission gap "driver" into a strategic planning approach can help focus the strategy formulation process. To consider this, we need to take a closer look at what strategy is.

Nutt & Backoff provide the following historical perspective: "The term *strategic* is derived from the Greek *strategos*, meaning 'a general set of maneuvers carried out to overcome an enemy during combat.'" (1992: 56) They discuss applications to political

life and to business: "Business also drew on military analogies to develop strategic concepts. The notion of market share is related to securing or pacifying territory. The term *strategy* describes the maneuvers carried out to meet the goals of the firm." (1992: 56).

Hambrick & Fredrickson build on the historic military roots of strategy and further remind us that in the military, a general's role is to "think about the whole. They have a strategy; it has pieces, or elements, but they form a coherent whole" (2001: 52). So strategy is comprehensive and orchestrated.

Various researchers and consultants give their perspectives on nonprofit strategy:

*Barry: "Strategic planning is the process of determining *what* an organization intends to be in the future and *how* it will get there. It is finding the best future for your organization and the best path to reach that destination." (1986: 10)

*Bryson: "Strategic planning is a set of concepts, procedures, and tools designed to assist leaders and managers with these tasks. Indeed, strategic planning may be defined as a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization (or other entity) is, what it does, and why it does it." (2004: xii)

*Phills: "Strategy is the economic logic of an organization. It is the body of knowledge directly concerned with the success and failure of organizations." (2005: 17) And "the primary goals of a strategy are [1] to provide a way of understanding (diagnosing) organizational performance, and [2] to provide a coherent and actionable plan through which an organization can achieve superior performance." (2005: 55)

*Alison & Kaye: "Strategic planning is a systematic process through which an organization agrees on – and builds commitment among key stakeholders to – priorities

that are essential to its mission and are responsive to the environment. Strategic planning guides the acquisition and allocation of resources to achieve these priorities." (2005: 1) "Strategy is a coordinated, broad approach or direction that informs organizational resource allocation." (2005: 177).

In that each of these approaches deal with general themes such as direction, destination, mission, and performance, the "mission gap" driver could be inserted into any of them to provide additional focus to the strategy development process. During the past twenty years, one of the most widely published approaches to strategy development for nonprofits has been provided by Bryson (2004). His approach has influenced many researchers and consultants, and other authors have put forward approaches that are similar (e.g., Barry, 1986; Nutt & Backoff, 1992). As an example of how the mission gap concept can be inserted into the strategy development process and provide value, I will next demonstrate how mission gap could be used in Bryson's model and explain the implications.

Bryson's most recent approach to strategy development and implementation utilizes ten steps (2004: 32-33):

1. Initiate and agree on strategic planning process

2. Identify organizational mandates

3. Clarify organizational mission and values

4. Assess the external and internal environments to identify strengths, weaknesses, opportunities, and threats

5. Identify strategic issues facing the organization

6. Formulate strategies to manage the issues

7. Review and adopt the strategies or strategic plan

8. Establish an effective organizational vision

9. Develop an effective implementation process

10. Reassess the strategies and the strategic planning process

Utilizing mission gap as the driver of strategy would alter steps three to six in the following ways.

Added to the activities included in Step #3, "clarify organizational mission and values" would be "establish mission accomplishment measures" and "identify mission gap," as explained in the prior section. Establishing the mission accomplishment measures and identifying the mission gap would alter the rest of the strategic planning process by focusing the organization on the most important results it is committed to producing. This will initiate a new performance context to the process that will be illustrated in the next three steps of the process.

Step #4, "assess the external and internal environments to identify strengths, weaknesses, opportunities, and threats," is an important and frequently used step in the strategic planning process. However, engaging in this process can be significantly altered once the mission gap is established. For example, in a typical SWOT analysis, key informants may be asked "What are the five most important opportunities which ABC Organization might take advantage of in the future?" In this situation, the respondent naturally answers from a present time perspective. A commitment to closing the mission gap, however, would shift the respondent into a future time perspective. The question could be asked differently, such as: "Given our commitment to close our mission gap as effectively as possible, what are the five most important opportunities which ABC

Organization might take advantage of in the future?" The question could be similarly altered for strengths, weaknesses, and threats. When a respondent is given the context of the intention of closing the mission gap, very different responses could arise. New opportunities may be seen, weaknesses which formerly did not raise a concern many be identified, or different potential threats may emerge. Instead of forecasting the future, based upon the constraints of the SWOTs, the organization views the SWOTs from an ideal future and searches for ways to use the SWOTs to close the mission gap as effectively as possible. This is its new performance context.

In Step #5, "identify strategic issues facing the organization," Bryson suggests a number of different options in how this is carried out. These include the Direct Approach, Indirect Approach, Goals Approach, Vision of Success Approach, Oval Mapping Approach, Tensions Approach, and the Systems Analysis Approach. The development of the mission accomplishment measure(s) and mission gap allows an organization to take full advantage of the Goal and Vision of Success Approaches. Bryson points out that goals and visions of success may be developed at many different points in the process.

First, the organization could create its "vision for success" and then its goals. The organization would create its vision as a description of what it would be like if it was ideally designed to close its "mission gap" as effectively as possible. Establishing visions like this that are aspirational are referred to as creating an organization's "strategic intent" by Hamel & Prahalad (1989, 1993, 1994). While the term was created as the result of a study of corporate successes, strategic intent has also been used successfully in the nonprofit setting (Sheehan, 1999). This type of an approach has also been described

as inventing the future from the future (Ford, Mills, Shelton, Zaffron, & Eldon, 1995). Similarly, Ackoff (1999) refers to this as creating a system or organization by using an "idealized design" process.

Next, strategic stretch goals are set which will catapult the organization towards its vision. Establishing difficult or "stretch" goals, connected to mission accomplishment measures, would require the organization to tap into its creativity and describe what it needed to do differently to accomplish the goals. Senge (1990) refers to this as establishing "creative tension" in an organizational process.

Including the goals step here allows the organization to state the progress it intends to make on closing the mission gap by some specific time in the future – five years into the future, for example. Because, by definition, mission accomplishment measures are very specific, this makes goals attached to them more effective (Lock & Latham, 1990). Such as, in the example given earlier, the Stevens County Literacy Council stated its current condition as: *In Stevens County, 80% of all adults, age 16 and older, are literate.* And stated its mission gap as: *With 100,000 adults, age 16 and older, living in Stevens County, the Mission Gap is 20,000 adults.* At this point in the strategy development process, this organization could state a goal such as *The literacy rate in Stevens County, as reported by county officials, will be 85% by June 30, 2014.* Other specific strategic stretch goals which would support the organization in accomplishing its mission could also be established at this time. Setting goals that are difficult, or a "stretch," would enhance performance as difficult specific goals have been shown to produce more effective results (Locke & Latham, 1990; Smith, 1999).

Creating a vision that is aspirational, with a focus on achieving difficult or "stretch" goals, is counter to the more analytical approaches often suggested in strategic planning. For example, Nutt & Backoff (1992) suggest that strategic planning should include a description of the organization's future that is "extrapolated" from its current reality as a "projection" into the future, based on the constraints of the environment and the organizations SWOTs. Visions created using strategic intent, idealized design, and/or creative tension are designed to produce discontinuous improvements (Ackoff, 1999) – not predictable or incremental improvements.

By including the Goals and Vision of Success Approaches in Step #5, the organization inserts them into Step #6: "formulate strategies to manage the issues." As Bryson explains "Strategies are developed to deal with strategic issues: that is, they outline the organization's response to the fundamental challenges it faces. To continue the bridge metaphor, strategic issues show where bridges are needed, and strategies are the bridges. (When the goal approach to strategic issues has been taken, strategies are developed to achieve the goals; when the vision of success approach has been taken, strategies are developed to achieve the vision.)" (2004: 183-4). The activity in Step #6, then, is to craft strategy that will accomplish the goals and achieve the vision that were established in response to the organization's commitment to close the mission gap. A tool that can be used at this point in the process is a Strategy Development Map (Figure 1) which graphically represents the future the organization intends to create -- its Vision and Ideal Mission Gap, along with its Strategic Stretch Goals. It can then identify ways in which it can leverage its strengths, fortify its weaknesses, seize its opportunities, and block its threats. These maps can be used by strategy development groups by posting the

different elements on a wall using flip chart paper on which they can record the strategic actions they want to take to achieve the vision and goals.

--- Figure 1 about here ---

At this point, steps seven through ten can be carried out essentially as Bryson describes them. Step #8 would be more of a review of the vision that was created in Step #5 since the Vision of Success approach was used there.

By adopting "mission accomplishment" as a specific organization effectiveness approach, the organization using this altered Bryson model of strategy development and formulation would have a strategy within a powerful performance context. With a commitment to closing the mission gap as a driver to the strategy development process, all strategic initiatives would be coherently focused on producing the results that matter most to it. A focus on closing the mission gap would help with the coordination of goals and activities that flow from the strategy. Further, once mission accomplishment measures and specific goals for the strategy planning time frame are adopted, the organization can reliably monitor its success. If it is not producing the intended results, it may revisit the strategy or investigate whether the strategy is being implemented as intended. If the strategy was based simply on implementing a set of activities, without having established outcome-based goals connected to the mission, the organization would not have reliable indicators on whether it is making actual progress on accomplishing its reason for being.

DISCUSSION

It is clear from the literature on nonprofit strategic planning that traditional for profit models of strategy must be altered to make them fit for the difference of nonprofit organizations. Through an examination of the role of strategy for nonprofits and the unique ways in which nonprofits judge their performance, a method for making these models fit more effectively for nonprofits has been proposed. By applying the mission accomplishment as effectiveness approach, nonprofits can create mission accomplishment measures to judge their success and identify their mission gaps to drive their strategy development processes.

By explicitly articulating the mission gap, the organization has a performance context that is focused, provides the basis for coherent and coordinated action, and provides feedback on the level of performance attained. Adopting mission accomplishment as the approach for judging effectiveness also provides a basis for developing a definition of strategy that is unique to nonprofits:

> *Nonprofit Strategy is an integrated and coherent explanation of how a nonprofit organization is going to accomplish its mission of making a difference for society in the future. It explains how its essential operations (funding, paid & unpaid staffing, programs/services for beneficiaries) will interact with one another, and within the organization's environment, to accomplish its mission.* (Sheehan, 2009)

This definition, unlike others cited earlier (Barry, 1986; Bryson, 2004; Phills, 2005; Alison & Kaye, 2005), is very specific about what drives the strategy development process – mission accomplishment. Closing the mission gap is the driver of the strategy.

The other unique aspect of this definition is that it states that *The strategy "explains how its essential operations (funding, paid & unpaid staffing,*

programs/services for beneficiaries) will interact with one another, and within the

organization's environment, to accomplish its mission. This is an acknowledgement that

strategy must be coherent and that the interrelationships of the activities undertaken will

be key to its success. This is core to the idea of systems thinking (Ackoff, 1999) as well

as strategic thinking (Mintzberg, 1994a, 1994b). The definition also uplifts the key

functional areas of staffing, finance, and programs/services as the most important aspects

of the operation to consider in strategy development. This is synthesized from Smith's

(1999, 2004) cycle of sustainable performance in which he suggests that the activities in

these core areas need to be blended in a way that is balanced and complementary so that

the organization can achieve long term success. By describing the interactions and

interrelationships, the organization's strategy provides an explanation that has, as Phills

states, a "logic" which "answers the question 'Why will this strategy work?'" (2005: 65).

Included in that explanation – and based on the altered Bryson model presented earlier –

the strategy would articulate how the organization intends to leverage its strengths, fortify

its weaknesses, seize its opportunities, and block its threats while working to close the

mission gap.

　　　　While it has been theoretically demonstrated here how the mission

accomplishment approach can be inserted into the strategic planning activities for

nonprofits and how mission gap can be included as the missing "driver" of strategy for

nonprofit organizations, the concept must be applied, studied in practice, and refined.

For example, research could include longitudinal studies that examine the application of

the concepts – particularly reviewing the organization's response to differing levels of

performance over time. In addition, case studies which compared organizations which

had previously used other strategic planning approaches and then implemented the

mission gap concept in their strategic planning and management would also be of

interest.

Strategy Development Map

CURRENT REALITY   **IDEAL FUTURE**

< -------------- Creative Tension -------------->

S	W	O	T
Interactions	Interactions	Interactions	Interactions

| Strategic Stretch Goals |

| Strategic Stretch Goals |

| Vision | Ideal Mission Gap |

STRATEGIC ACTIONS

IMPACT ON FUNDING, STAFFING, PROGRAMS/SERVICES

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